

Equitas starts Small Finance Bank operations

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Business Standard

Equitas Holdings has commenced operations of its Small Finance Bank (SFB) on Monday, from its head office in Chennai.

Equitas Holdings Ltd on Friday informed the exchange that it has obtained a Certificate of Registration from the RBI registering the Company as a Non-Deposit taking Systemically Important Core Investment Company (CIC-ND-SI). This is one of requirements laid down by RBI while granting approval to the Company to establish a Small Finance Bank.

Following this, the Board of the company fixed September 5, 2016 as the date on which Equitas Small Finance Bank to commence operations.

Management of Equitas was not available for comment immediately.

The Bank is expected to have a network of around 400 branches initially, which would be established through the year.

Earlier the Bank officials have said that the SFB will be profitable from the first year onwards despite it will incur around Rs 100 crore additionally every year. Currently, Equitas got around 9,000 employees of which only three are employed to get money, while balance are in lending and collection.

As the new SFB need to focus on liability it need to add another 3000 people. This alone would cost around Rs 80-90 crore every year.

In accordance with the Scheme of Amalgamation approved by the High Court of Madras, Equitas Micro Finance Limited (EMFL) and Equitas Housing Finance Limited (EHFL) have merged with Equitas Finance Limited (EFL) effective on September 2, 2016.

ROC-Chennai has approved the change of name of Equitas Finance Limited to Equitas Small Finance Bank Limited vide fresh Certificate of Incorporation dated September 2, 2016.

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